

Research Update:

St. Louis County R-III School District, MO Series 2026 GO Bonds Assigned 'AA+' Rating; Outlook Stable

August 27, 2026

Overview

- S&P Global Ratings assigned its 'AA+' long-term rating (based on credit enhancement) and its 'AA' underlying rating (SPUR) to [St. Louis County R-III School District \(Pattonville\)](#), Missouri's \$31 million series 2026 general obligation (GO) bonds.
- The outlook is stable.

Rationale

Security

The district's GO bonds are secured by revenue from an unlimited ad valorem tax levied on all taxable property within the district. Participation in the Missouri Direct Deposit Program also secures the bonds. Proceeds of the series 2026 bonds will be used to finance various facility improvements and upgrades. The bonds represent the final tranche of a total of \$111 million in GO bond authorization approved by voters in April 2022.

The state credit enhancement rating is one notch below the Missouri GO rating (AAA/Stable) given state aid appropriation risk partly mitigated by consistent state support, execution of the direct deposit agreement, and maximum annual debt service coverage, currently 1.68x, that we expect will remain strong.

For more information, see "[Missouri Direct Deposit of State Aid](#)," July 10, 2024

Credit highlights

Pattonville School District is located within the St. Louis metropolitan statistical area and demonstrates a robust credit profile, underpinned by strong gross county product and personal incomes. Financial strength is complemented by healthy reserves, both in nominal terms and relative to the district's budget, providing a cushion against economic fluctuations. In addition, in

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our view management uses effective planning and diligent budget monitoring that enhances the district's financial stability.

Preliminary projections for the end of fiscal 2025 initially indicated a breakeven outcome. However, audited fiscal year-end June 30 results show a large surplus of \$8.6 million (7.6% of operating revenues), primarily driven by additional unbudgeted revenues from the Merchant and Manufacturer tax levy as well as from unbudgeted increases in interest earnings. Unaudited fiscal 2026 fiscal-year end results show a \$3.4 million increase in the fund balance, driven by additional interest earnings and unbudgeted revenues. While management has conservatively forecast potential drawdowns in its operating funds, given the growing and healthy reserve position and the cautious revenue and cost estimates, actual results are likely to be more favorable than anticipated.

This is the last issuance of the authorized debt, and the school district does not have any further plans to issue new debt going forward.

The rating reflects our view of the following:

- The district is situated in St. Louis County, where both gross county product per capita and personal income levels surpass the national averages. Its proximity to St. Louis and to Lambert International Airport is driving significant development, including several large logistics, warehousing, and residential projects currently underway in the northwest portion of the district on previously undeveloped land.
- The district reports a history of positive general fund operations and healthy reserves both in percentage terms and on a nominal basis. However, it employs cash accounting, which, while common among Missouri school districts, we view as a credit limitation because cash basis accounting presents a less transparent view of an entity's true financial condition.
- Management's conservative approach, marked by regular monitoring of budget-to-actual results, has fostered a strong history of positive operational performance. It prepares formal long-term financial forecasts covering three years to guide decision-making during the budget development process. The district also follows an informal fund balance target of 18% of expenditures, providing it with flexibility to seek voter approval for tax increases if necessary. In addition, it complies with Missouri's debt and investment limitations and provides monthly investment reports to the board. We view the issuer's cyber risk mitigation measures as consistent with our view of its credit fundamentals.
- The district's debt profile is weaker than peers', but we expect its healthy economy and history of positive financial performance will continue to offset this weakness.
- Pension liabilities and other postemployment benefit liabilities are adequately funded and in our view do not pose medium-term credit risk.
- The institutional framework is stronger than typical for a Missouri school given the low reliance on state revenue sources for operations and the use of cash accounting. For more information on our institutional framework assessment for Missouri school districts, see [Institutional Framework Assessment: Missouri Local Governments](#), Sept. 10, 2024.

Outlook

The stable outlook reflects our expectation that the district's strong finances and access to St. Louis will support credit stability. It also reflects our view that its debt will remain manageable despite a significant increase following the issuance of referendum bonds.

Downside scenario

We could take a negative rating action if the district's budgetary performance were to deteriorate, thereby materially weakening its reserve position, or if its debt burden were to increase significantly beyond what is planned.

Upside scenario

We could take a positive rating action if the district's debt were to moderate.

St. Louis County R-III School District, Missouri--credit summary

Institutional framework (IF)	3
Individual credit profile (ICP)	1.98
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	1.65
Debt and liabilities	4.25

St. Louis County R-III School District, Missouri--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita % of U.S.	136	--	136	138
County PCPI % of U.S.	143	--	143	144
Market value (\$000s)	8,247,880	7,142,319	7,268,476	6,073,984
Market value per capita (\$)	203,330	176,075	178,193	147,843
Top 10 taxpayers % of taxable value	10.0	--	10.0	12.1
County unemployment rate (%)	3.7	--	3.7	3.1
Local median household EBI % of U.S.	97	97	93	99
Local per capita EBI % of U.S.	100	100	100	103
Local population	40,564	40,564	40,790	41,084
Financial performance				
Operating fund revenues (\$000s)	--	114,709	105,474	102,431
Operating fund expenditures (\$000s)	--	106,023	104,608	98,110
Net transfers and other adjustments (\$000s)	--	--	--	--
Operating result (\$000s)	--	8,686	866	4,321
Operating result % of revenues	--	7.6	0.8	4.2
Operating result three-year average %	--	4.2	0.5	1.1
Enrollment	--	6,035	5,945	5,959
Reserves and liquidity				
Available reserves % of operating revenues	--	43.4	39.0	39.6
Available reserves (\$000s)	--	49,810	41,155	40,577
Debt and liabilities				
Debt service cost % of revenues	--	11.7	11.8	7.3
Net direct debt per capita (\$)	3,875	2,578	2,742	1,617

St. Louis County R-III School District, Missouri--key credit metrics

	Most recent	2025	2024	2023
Net direct debt (\$000s)	157,171	104,582	111,830	66,430
Direct debt 10-year amortization (%)	40	57	55	--
Pension and OPEB cost % of revenues	--	7.0	7.0	7.0
NPLs per capita (\$)	--	1,396	1,744	2,042
Combined NPLs (\$000s)	--	56,633	71,133	83,912

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List

New Issue Ratings	
US\$31,000,000 Pattonville R-iii School District, St. Louis County, Missouri, General Obligation Bonds (Missouri Direct Deposit Program), Series 2026, dated: Date of Delivery, due: March 1, 2046	
Long Term Rating	AA+/Stable
Underlying Rating for Credit Program	AA/Stable

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